

Information Commissioner's Annual Report and Financial Statements 2016/17

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Report Presented to Parliament pursuant to Section 52(1) of the Data Protection Act 1998 and Section 49(1) of the Freedom of Information Act 2000 and Accounts Presented to Parliament pursuant to paragraph 10(2) of Schedule 5 to the Data Protection Act 1998.

Ordered by the House of Commons to be printed on 13 July 2017

HC 137



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Print ISBN 9781474145398

Web ISBN 9781474145404

ID 18051704 07/17

Printed on paper containing 75% recycled fibre content minimum

Printed in the UK by the Williams Lea Group on behalf of the Controller of Her Majesty's Stationery Office



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Performance report

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Our mission, vision and strategic goals

Mission

To uphold information rights for the UK public in the digital age.

Vision

To increase the confidence that the UK public have in organisations that process personal data and those which are responsible for making public information available.

Strategic goals

1. To increase the public's trust and confidence in how data is used and made available.
2. Improve standards of information rights practice through clear, inspiring and targeted engagement and influence.
3. Maintain and develop influence within the global information rights regulatory community.
4. Stay relevant, provide excellent public service and keep abreast of evolving technology.
5. Enforce the laws we help shape and oversee.

Information Commissioner's foreword

Welcome to my first annual report as the United Kingdom's Information Commissioner.

2016-17 has been a time of continuity and change for the Information Commissioner's Office.

I took up my post in July 2016, taking over from Christopher Graham who had led the organisation so ably since 2009. I arrived as the office was starting to gear up for a new legislative framework for data protection provided by the European Union data protection reform package. The new General Data Protection Regulation will take effect in May 2018 and replace the present Data Protection Act. My office is preparing for the future in data protection with new processes, a comprehensive change programme and an education and guidance programme for stakeholders and the public.

There was also change at the top of the organisation as I recruited a new Senior Leadership Team including two new Deputy Commissioners and a Deputy Chief Executive Officer. I intend to complete my team with the appointment of a new General Counsel in the summer of 2017.

The continuity was provided by our consistently improving work to regulate information rights in the United Kingdom. Our casework queries continue to increase and we have brought more cases to a conclusion than ever before in both the data protection and freedom of information fields of work.

Our highly respected helpline took more calls and our advice staff dealt with more written queries than the previous year while our own compliance with the Freedom of Information Act remained high at 98%.

Our policy staff produced guidance and research papers on issues as diverse as consent and Big Data, providing specific guidance alongside our overarching guides to how to prepare for the General Data Protection Regulation next year.

We continued to take action against nuisance calls and the misuse of personal data, bringing civil and criminal prosecutions against a number of individuals whose practices contravened individual privacy rights.

As well as preparing for changes in data protection, we have ensured that the Freedom of Information Act is well regulated, guiding public authorities to help them meet their obligations and assisting the public by making decisions that provide greater transparency. My office continues to explore the ways in which the freedom of information regime could be enhanced with work underway on the potential to include outsourced public services.

Our offices in Cardiff, Belfast and Edinburgh continued their critical outreach work to citizens and organisations in those Nations and Regions of the UK. We also opened a new London satellite office to improve our engagement with stakeholders based in the capital, including parliamentarians and the government.

As the laws we regulate change, there is an opportunity for us to improve the trust that the public feel in those who process their personal data or who make information available to the public. We have launched our new Information Rights Strategic Plan that places this trust at the heart of what the Information Commissioner's Office will do in the next four years.

The digital economy is very important to the UK – personal data and how it is handled is central to trade and growth and studies show the digital economy is growing 30% faster than the rest of the economy. Data knows no borders.

Continued growth and citizen confidence in the digital economy needs an information rights regulator that is helpful, authoritative, tech-savvy and practical, but also a regulator that is firm and takes action when wrongdoing occurs. We also continue to work with stakeholders to ensure that data sharing for the purposes of law enforcement and security is promoted in a proportionate way.

I believe that this report shows that our improving services and productivity make us that regulator and I commend it to you.



Elizabeth Denham
Information Commissioner
5 July 2017

Our major achievements and work this year

Preparing for new legislation

We continued to provide guidance and engagement for organisations in the public, private and third sectors as they prepared for a new legislative framework from 25 May 2018.

This included publishing an overview of the General Data Protection Regulation (GDPR) which links to new European Union (EU) level guidelines and to more detailed Information Commissioner's Office (ICO) guidance in specific areas. We continued to contribute to the work of the Article 29 Working Party alongside Data Protection Authorities from across the EU. We contributed particularly heavily to guidelines on the lead supervisory authority, data protection officers and data portability.

We consulted on our first detailed guidance on the GDPR covering consent. We expect to publish finalised guidance in 2017 enabling businesses and other organisations to prepare for the new standard of consent in good time.

We have contributed to the Article 29 Working Party Opinion on the proposed regulation for ePrivacy, drawing on our experience of issues arising from voice and electronic marketing, and raised awareness of the legislative process and next steps connected with this reform.

As the UK's supervisory authority for the provision of trust services under the Electronic Identification and Trust Services for Electronic Regulations 2016 (eIDAS), we published a guide for trust service providers that want to gain qualified status. We also developed internal procedures for granting qualified trust service provider status in anticipation of the end of transitional arrangements in July 2017.

Tackling nuisance calls and unsolicited marketing

In 2015 the Daily Mail and Mail on Sunday made allegations about how some charities were misusing people's personal data. The allegations were about nuisance calls, breaches of the Privacy and Electronic Communications Regulations 2003 (PECR), and the widespread trading and sharing of donors' personal details.

Following our investigations we found that some charities had shared personal data with third party organisations without telling people about this use of their personal data. The investigation resulted in us issuing 13 civil monetary penalties to the value of £181,000. The Commissioner exercised her discretion to set a reduced level of penalty that would encourage better practice while not unduly distressing donors.

We also held 17 compliance meetings with other charities and two call centres about their compliance with the Data Protection Act (DPA) and PECR; issued advice letters to six charities; and monitored three charities with their compliance being assessed over a three month period.

To help highlight good practice, along with the Charity Commission and the Fundraising Regulator, we held a charity fundraising conference in February 2017.

The Commissioner intends to provide Parliamentarians with a wider report on our interventions in the charity sector.

The ICO was represented on the Scottish Government's Nuisance Calls Commission, a working group aiming to find practical solutions to the problem of unwanted calls and develop an action plan showing how to deliver long term differences and reduce the impact on people's lives.

Our continuing work on freedom of information

We published detailed freedom of information guidance on the exemptions from disclosure in the areas of defence and statutory prohibitions, and on advice and assistance under the Environmental Information Regulations (EIR).

The range of authorities monitored to help in meeting their freedom of information responsibilities included government departments, councils and a police force. In addition we undertook a new initiative with most of the UK Departments of State, asking them to provide details of their performance in responding to requests for information.

In March 2017 the Information Commissioner raised the threshold at which our monitoring of public authorities is triggered. Public authorities will now be considered for monitoring if fewer than 90% of their freedom of information responses fall within the statutory timescale.

During 2016-17 we experienced increasing volumes of appeals to the First Tier (Information Rights) Tribunal, with 281 appeals received. We successfully defended over 75% of the Commissioner's decisions.

Notable amongst these were appeals made by public authorities against decision notices where we had ordered disclosure of detailed information relating to large contracts under public finance initiatives. The contract documentation in each case was large and the public authorities concerned had not engaged satisfactorily with both their freedom of information obligations and our initial investigation.

We also successfully defended an appeal against a decision notice in the Court of Appeal. The Commissioner had ordered the disclosure of information concerning one of the Department of Work and Pensions' workfare programmes. The department had challenged the Upper Tribunal's findings on the definition of commercial interests and its approach to the public interest test.

Our continuing work on data protection

We continued to promote our online self-assessment toolkit, helping small and medium sized enterprises assess their own compliance with data protection legislation, and have developed new content for GDPR implementation.

We published a revised Privacy notices code of practice in October 2016. It emphasises the importance of transparency to consumer confidence and the growth of the digital economy.

Our ground breaking paper on Big Data, Artificial Intelligence and Machine Learning, which contains practical advice on the tools that can assist organisations with compliance, was published in March 2017.

The referendum on the UK's membership of the EU in June 2016, and more recently the calling of the general election, both highlighted the care needed when using personal information for political campaigning. The ICO engaged with the Electoral Commission and the main campaigns and parties, ensured that guidance on campaigning was updated and held events to brief the parties in advance of the general election.

We also ran information rights awareness raising sessions with elected members of both the Scottish Parliament and Welsh Assembly.

We held a series of awareness raising events in partnership with the Northern Ireland Council for Voluntary Action and blogs published for the Scottish Council for Voluntary Organisations.

The Commissioner successfully intervened in a number of private actions in the Court of Appeal. In *Dawson-Damer v Taylor Wessing LLP*; and the linked cases of *Ittihadieh v 5-11 Cheyne Gardens & Ors* and *Deer v Oxford University* before the Court of Appeal the Commissioner successfully assisted the Court in its consideration of the practical application of the DPA, including the nature and extent of disproportionate effort, the court's discretion and the scope of the domestic purposes exemption.

Medical records are sensitive personal information. We have worked with the National Data Guardian on her review of data security, consent and opt-outs. We have continued to deal with specific concerns about GP patient record systems having inappropriate data sharing functions, and are working with several health service organisations to secure necessary improvements.

In addition medical information is valued for research purposes and we have worked to ensure that individuals have proper choice and control. This includes ongoing work around the use of analytical tools for medical research and the extent to which patients are aware of the use of their information.

We have worked with Government on its cyber security regulation and incentives review, providing evidence to Parliament during its scrutiny of the issue. The review makes a number of recommendations and we are working with the National Cyber Security Centre and Government to play our part in fulfilling these.

In addition as the number and complexities of cyber crime related incidents have increased, we have restructured and expanded our civil enforcement team; creating a sector team dedicated to the investigation of cyber related incidents.

The international work of the Commissioner

The ICO continued to fulfil its legal obligations at the European level, participating in the Article 29 Working Party and other supervisory duties in policy areas relating to Europol, EU Customs Union, Schengen Information System and Eurodac. The ICO contributed to the organisation of the new oversight arrangements for the new Europol Regulation.

The ICO was re-confirmed as co-chair of the Common Thread Network at its Annual General Meeting in October 2016. This is a new network linking data protection and privacy regulators from across the Commonwealth to further a common approach to respecting citizens' privacy, in promoting and building capacity in the sharing of knowledge and good practices for effective data protection.

We committed significant resource to the development of the EU-US Privacy Shield transfer framework. The Article 29 Opinion on the draft Privacy Shield adequacy decision was published on 13 April 2016. It expressed strong concerns.

The European Commission's decision provides that the US ensures an adequate level of protection for personal data transferred to the US under the Privacy Shield and the scheme became operational from 1 August 2016. The finalised Privacy Shield requires the US to monitor and enforce more robustly, and cooperate more with European Data Protection Authorities. It includes, for the first time, written commitments and assurance regarding access to data by public authorities and sets up a mechanism for individuals to submit enquiries regarding the US signals intelligence practices.

In October 2016 the ICO participated in the International Conference of Data Protection and Privacy Commissioners. We successfully presented a resolution on International Enforcement Cooperation, advancing the innovative global work to develop a more joined-up approach improving privacy and data protection authorities' ability to cooperate in enforcement.

Selected key statistics

We delivered:

- 35 audits providing advice and recommendations;
- 22 information risk reviews;
- 23 follow-up audits checking that recommendations were acted upon; and
- 58 advisory visits to small and medium sized enterprises (SMEs).

There were over 140 responses to our Local Authority Information Governance Survey. The findings were published in March 2017.

We issued more civil monetary penalties for breaches of PECR than ever with 23 penalties totalling £1,923,000 covering a range of unlawful marketing activities. One of the largest was for £270,000, served on Road Traffic Consult trading as Media Tactics for making 22 million unsolicited automated marketing calls to members of the public.

We issued 16 civil monetary penalties totalling £1,624,500 for serious breaches of the data protection principles across both public and private sectors. The largest was a £400,000 penalty issued to Talk Talk.

During the year there has been a 50% increase in criminal cases resulting in a conviction. Prosecutions for section 55 DPA offences have seen a 267% increase. In total we secured 21 criminal convictions:

- Six convictions for non-notification offences (section 17 of the DPA).
- Four convictions for failing to respond to an information notice (section 47 of the DPA).
- Eleven convictions for unlawfully obtaining data (section 55 of the DPA).
- Five cautions were issued for offences under section 55 of the DPA.

This year saw a significant increase in the number of data protection concerns brought to us with over 18,300 cases received; about 2,000 more than last year. Of these we have resolved more cases than ever before, closing over 17,300. 90% of cases were resolved within three months of receipt.

Included in these cases were over 300 from individuals who had asked search engines to remove results about them; the right to be forgotten. We asked for results to be removed in a third of these.

We also dealt with over 600 concerns about the use of domestic CCTV cameras which generally related to neighbour disputes or alleged harassment. We advised CCTV users on their responsibilities, especially in respect of operating cameras viewing beyond the user's property boundaries, and signposted people to other bodies where appropriate.

The number of complaints about freedom of information was similar to the previous year with over 5,400 new cases received and 5,100 closed during the year. 67% of cases received a decision within three months and over 88% of cases were concluded within six months of receipt. We issued 1,329 formal decision notices.

In total our casework teams have looked at 21,393 individual concerns during this financial year.

As of the 31 March 2017 the ICO had 472 staff (439 full time equivalents) with 69 new staff having joined us during the year as the volume of work coming into the office increases and preparations for GDPR and LED commence.

We trained 298 members of staff on information rights legislation and 31 staff successfully obtained the BCS Data Protection qualification.

Operational performance

Data protection concerns

Received



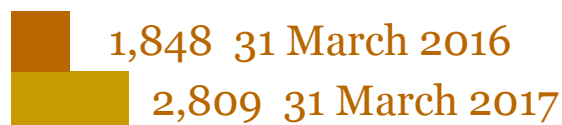
12%

Finished

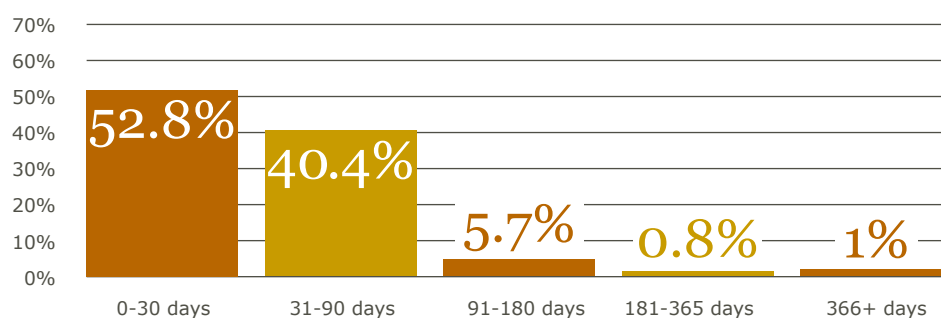


10.4%

Caseload

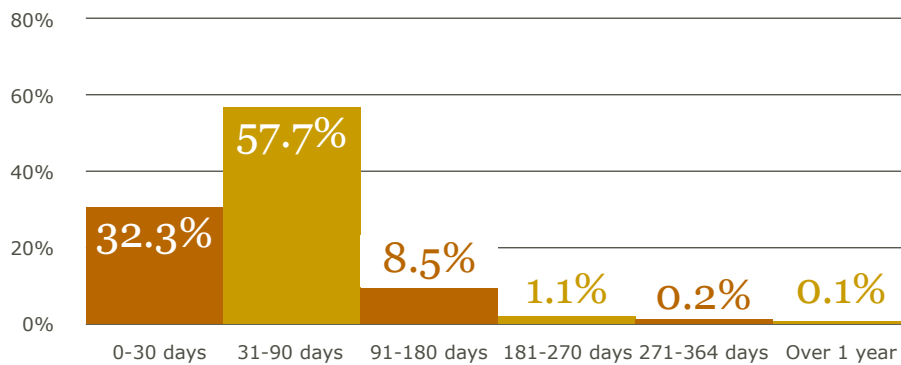


Age distribution of caseload as at 31 March 2017

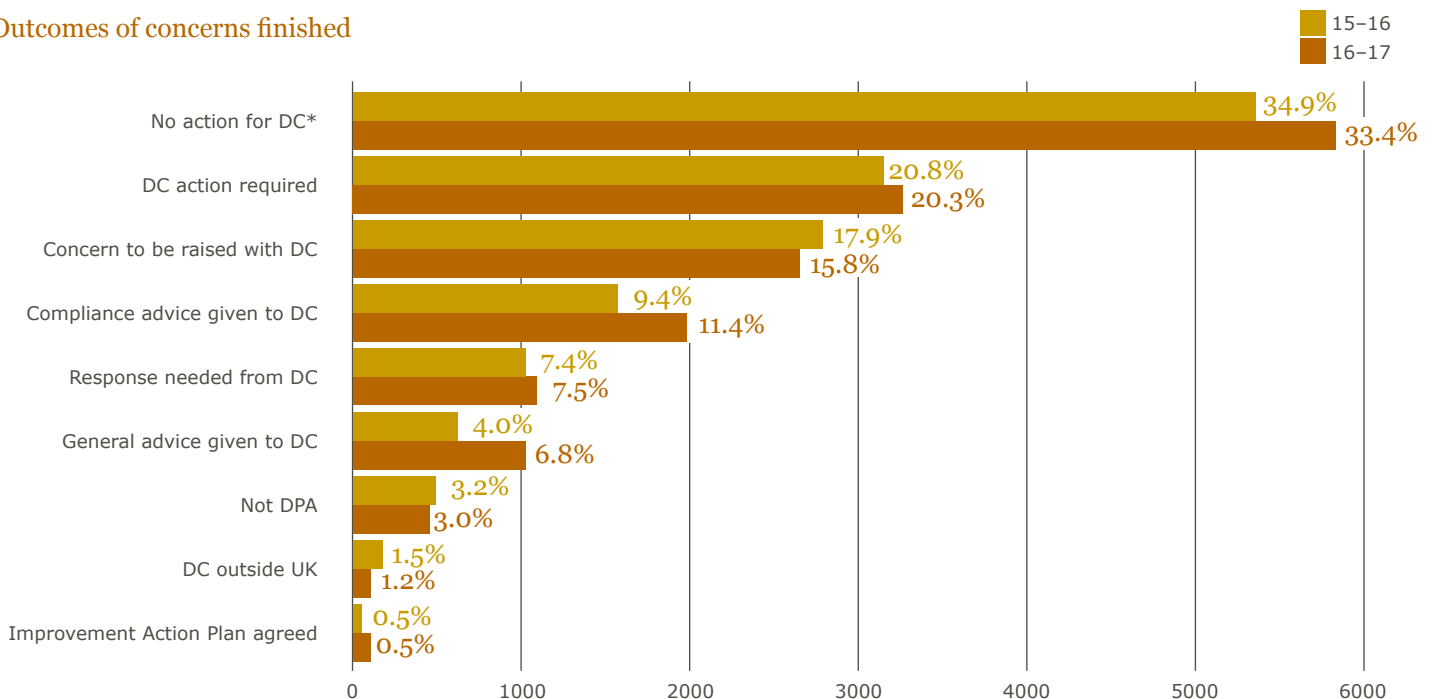


Age distribution of finished concerns

	2015/16	2016/17
30 days or less	50%	32%
90 days or less	92%	90%
180 days or less	98.6%	98.5%



Outcomes of concerns finished



*Data Controller

DC action required, Compliance advice given to DC, General advice given to the DC and action plan agreed, are all outcomes that result in us explaining to organisations how to improve their information rights practise in some way. These outcomes equal 39% of the total for the year. Concerns finished with the following outcomes — order made, no order made, enforcement notice pursued, criminal investigation pursued, and undertaking served represented 0.2% of total.

Areas generating most concerns where sector is specified

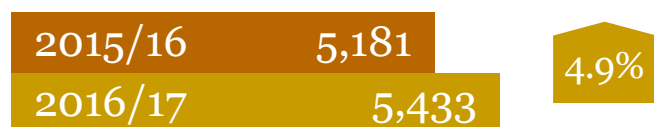
	2015/16	2016/17
General business	11%	13%
Health	12%	10%
Local government	10%	10%
Lenders	10%	8%
Central government	5%	5%
Policing and Criminal	5%	5%
Education	5%	4%
Telecoms	5%	4%
Internet	6%	4%
Other individuals	0.7%	4%

Reasons generating most concerns where nature is specified

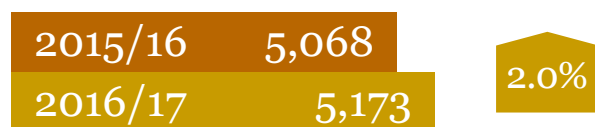
	2015/16	2016/17
Subject access	42%	42%
Disclosure of data	18%	17%
Inaccurate data	12%	11%
Security	9%	7%
Right to prevent processing	6%	7%
Use of data	4%	5%
Fair processing	3%	5%
Obtaining data	2%	2%
Excessive / Irrelevant data	1%	2%
Retention of data	2%	1%

Freedom of information complaint casework

Received



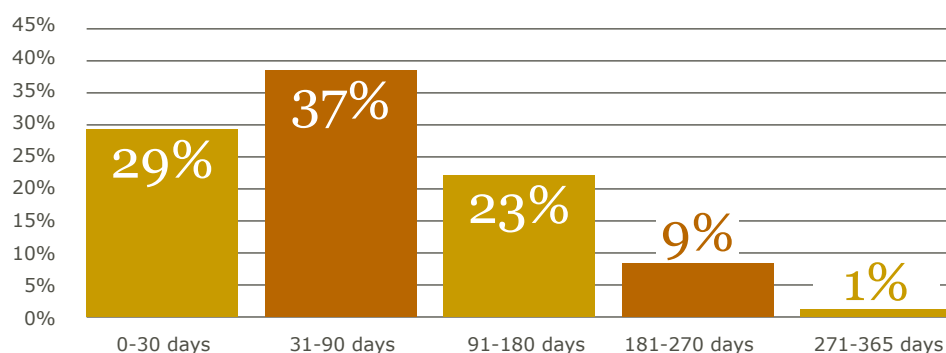
Finished



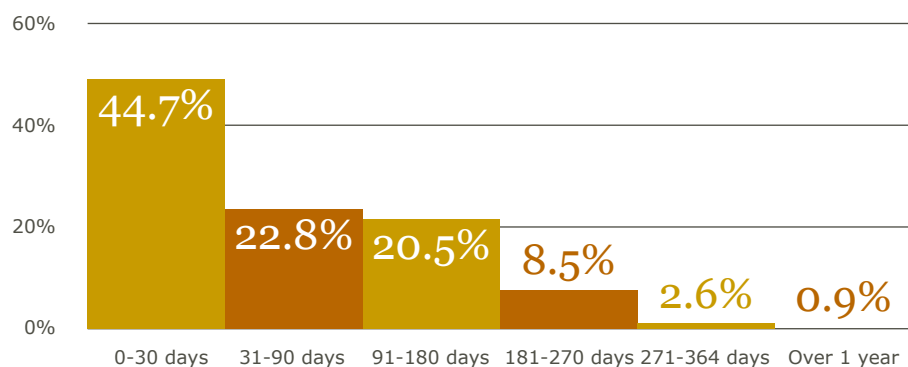
Caseload



Age distribution of caseload as at 31 March 2017



Age distribution of finished complaint casework



	2015/16	2016/17
30 days or less	48%	45%
90 days or less	71%	67%
180 days or less	92%	88%
365 days or less	99.7%	99.1%

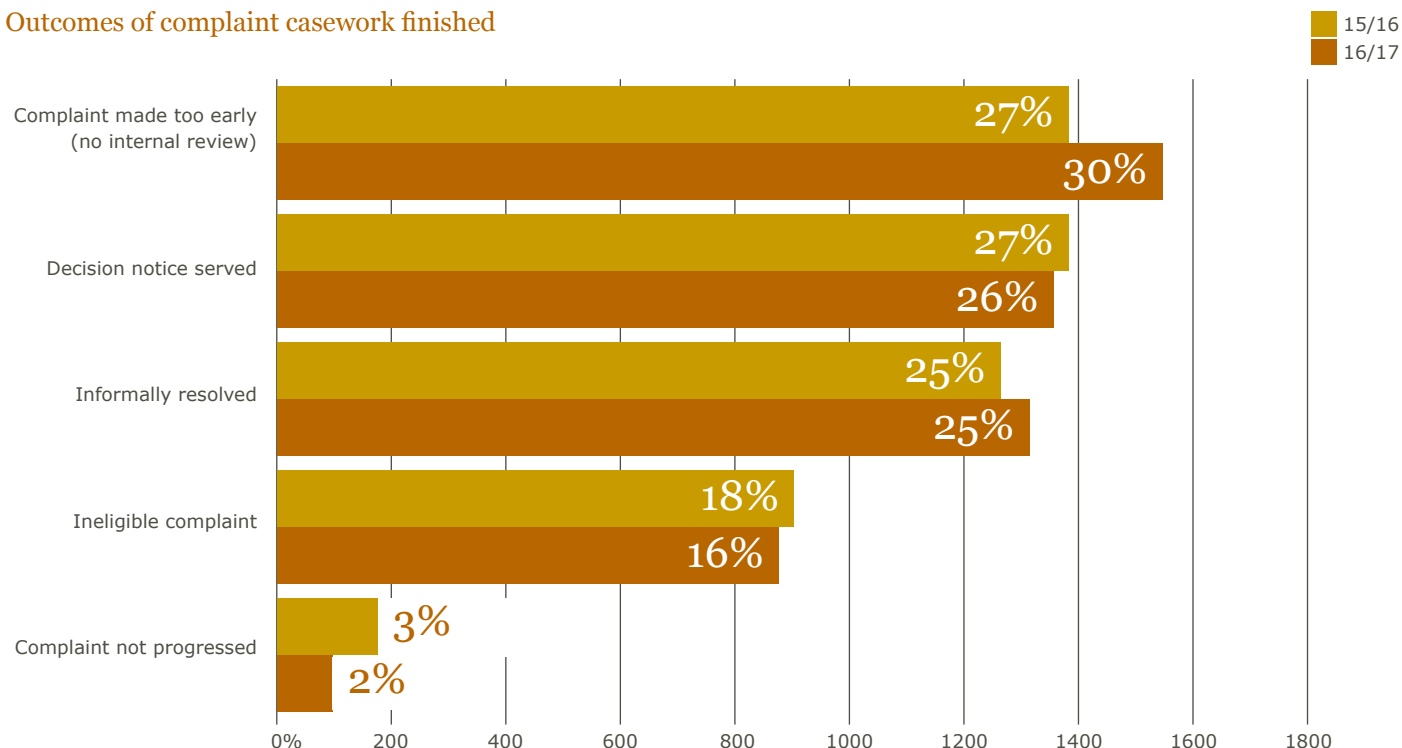
Areas generating most complaint casework where sector is specified

	2015/16	2016/17
Local Government	40%	39%
Central Government	17%	17%
Police & criminal justice	16%	14%
Health	10%	12%
Education	7%	8%
Private companies	0.8%	0.5%

Outcome of complaint casework where a decision notice is served

	2015/16	2016/17
Total served	1,376	1,329
Upheld	330 (24%)	323 (24.3%)
Not upheld	851 (61.8%)	787 (59.2%)
Partially upheld	195 (14.2%)	219 (16.5%)

Outcomes of complaint casework finished



Appeals to the Information Rights Tribunal

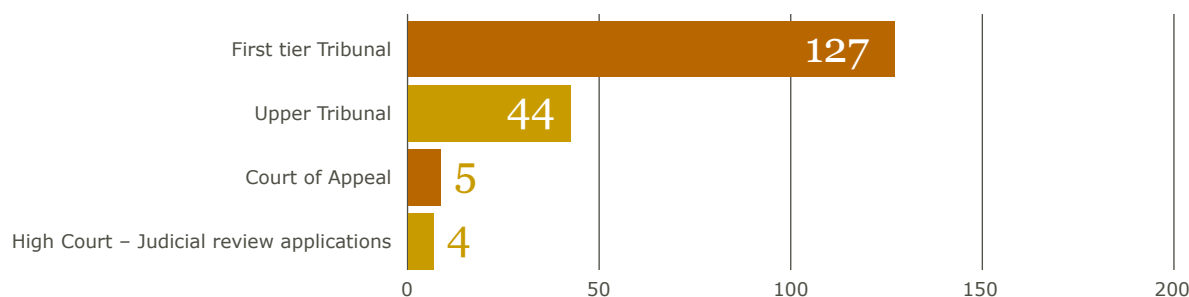
Received



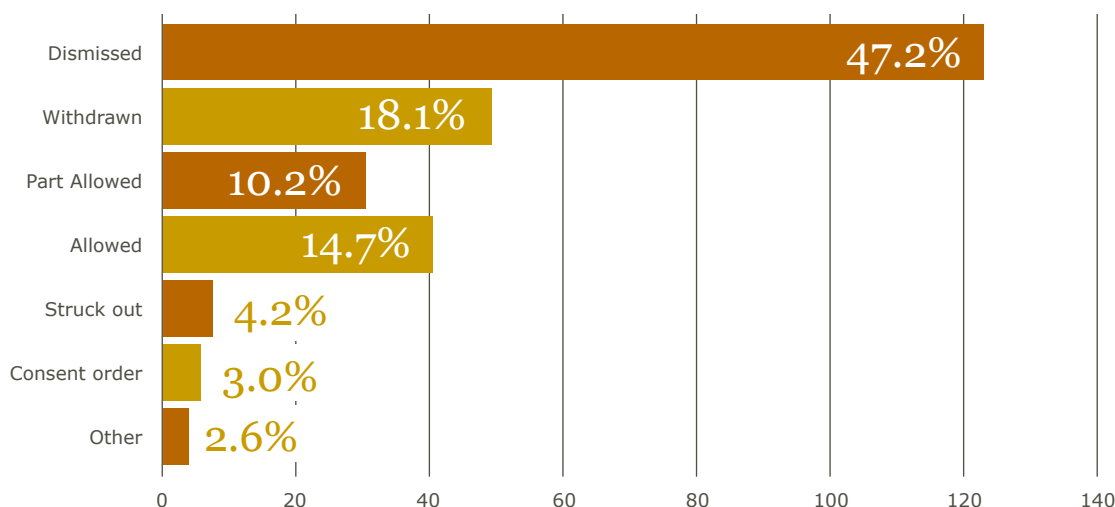
Finished



Open caseload as at 31 March 2017



Outcomes of Appeals finished in 2016/17



* Part allowed appeals fall into two broad categories: first, those appeals where the Commissioner has made a decision on a number of exemptions or exceptions and the Tribunal disagrees with her decision in relation to some but not all of those conclusions, and therefore overturns parts, but not all, of her findings.

Second, are those cases where an exemption or exception has not been raised with the Commissioner during her investigation but is raised for the first time on appeal. Whilst not considered in the Commissioner's Decision notice, the Tribunal will on occasion find such late pleaded exemptions or exceptions compelling, and may again find that the original decision was sound, but that part of the appeal should be allowed in light of the novel arguments raised on appeal.

Advice services

Calls to the helpline

Calls received



Calls answered



Call answer rates

Percentage answered	95%
Average wait time	53 seconds

Live chat

Chats requested	18,864
Chats answered	18,289

Call answer rates

Percentage answered	97%
Average wait time	4 seconds

Written advice

Finished



Caseload

31 March 2016	137
31 March 2017	115

Age distribution of finished advice work

	2015/16	2016/17
7 days or less	41%	75%
14 days or less	78%	88%
30 days or less	99%	98%

Profile of advice service

- 78% of our enquiries are about the DPA, 14% PECR, 6% FOIA and 2% are hybrid.
- approximately 75% of our enquires are from members of the public and 25% are from those we regulate.
- half our customers have visited ico.org.uk before contacting us for advice.
- 3% of the enquiries received are sent to us in error.

Self reported incidents – data protection

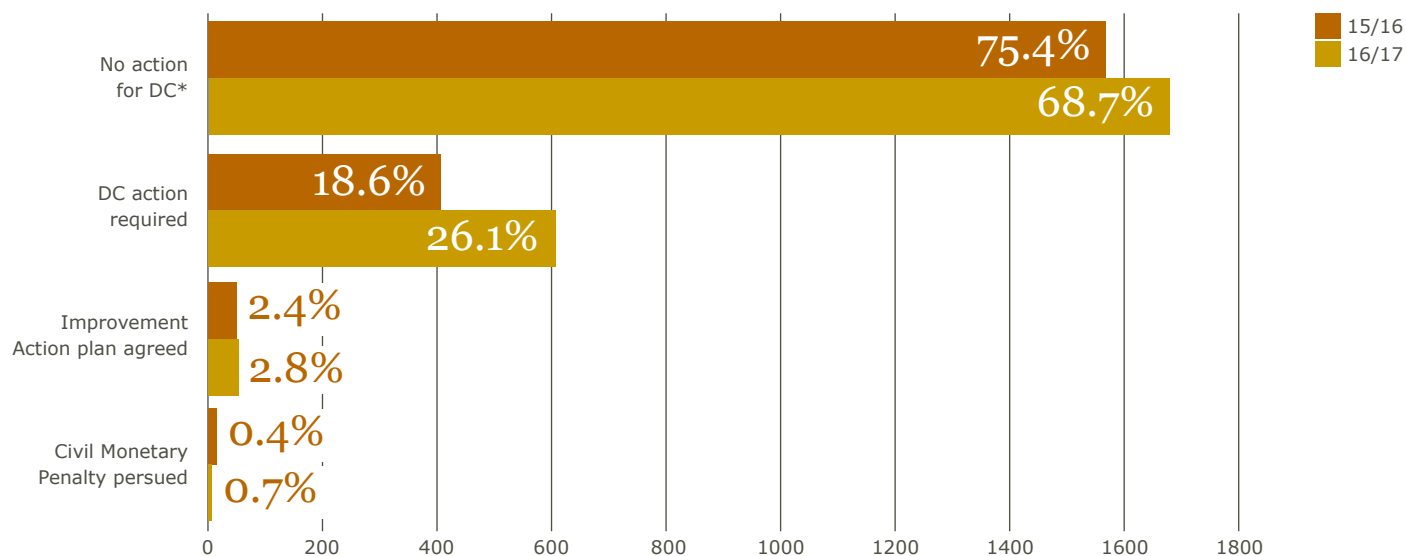
Received



Finished



Outcomes of self reported incidents finished



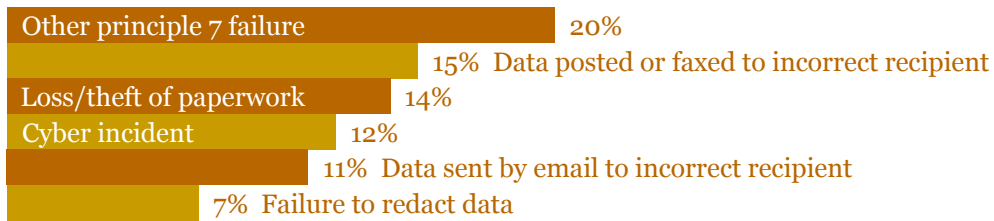
*Data Controller

Self reported incidents finished with the following outcomes — undertaking served, not DPA, advisory visit recommended, compliance audit recommended, enforcement notice pursued, DC outside UK and criminal investigation pursued represented 1.8% of the total.

Sectors generating most self reported incidents



Types of incidents generating most reports

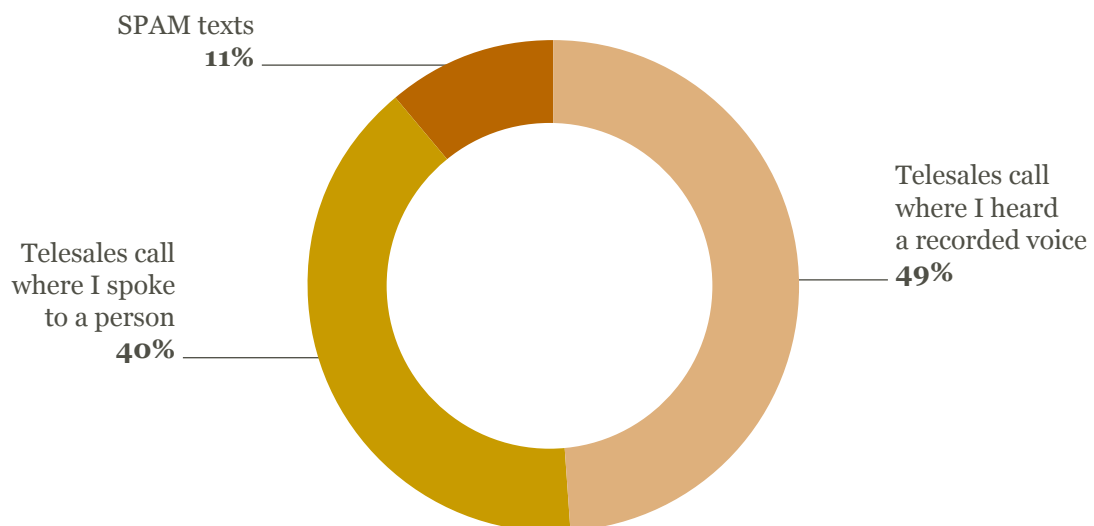


PECR concerns

Concerns reported



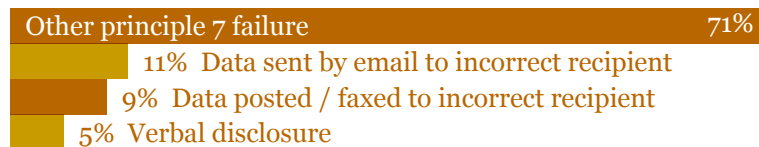
Nature of telesales and SPAM texts reported



Self reported incidents under PECR



Types of incidents generating most reports

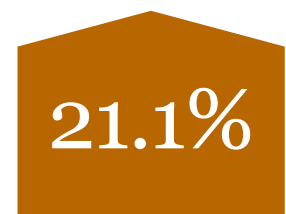


Information access

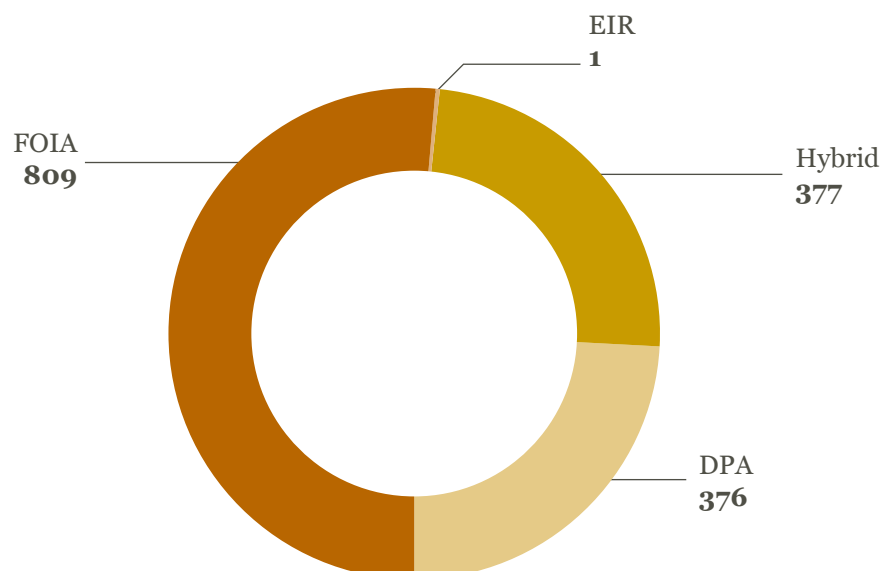
Requests received



Requests completed



Requests by legislation

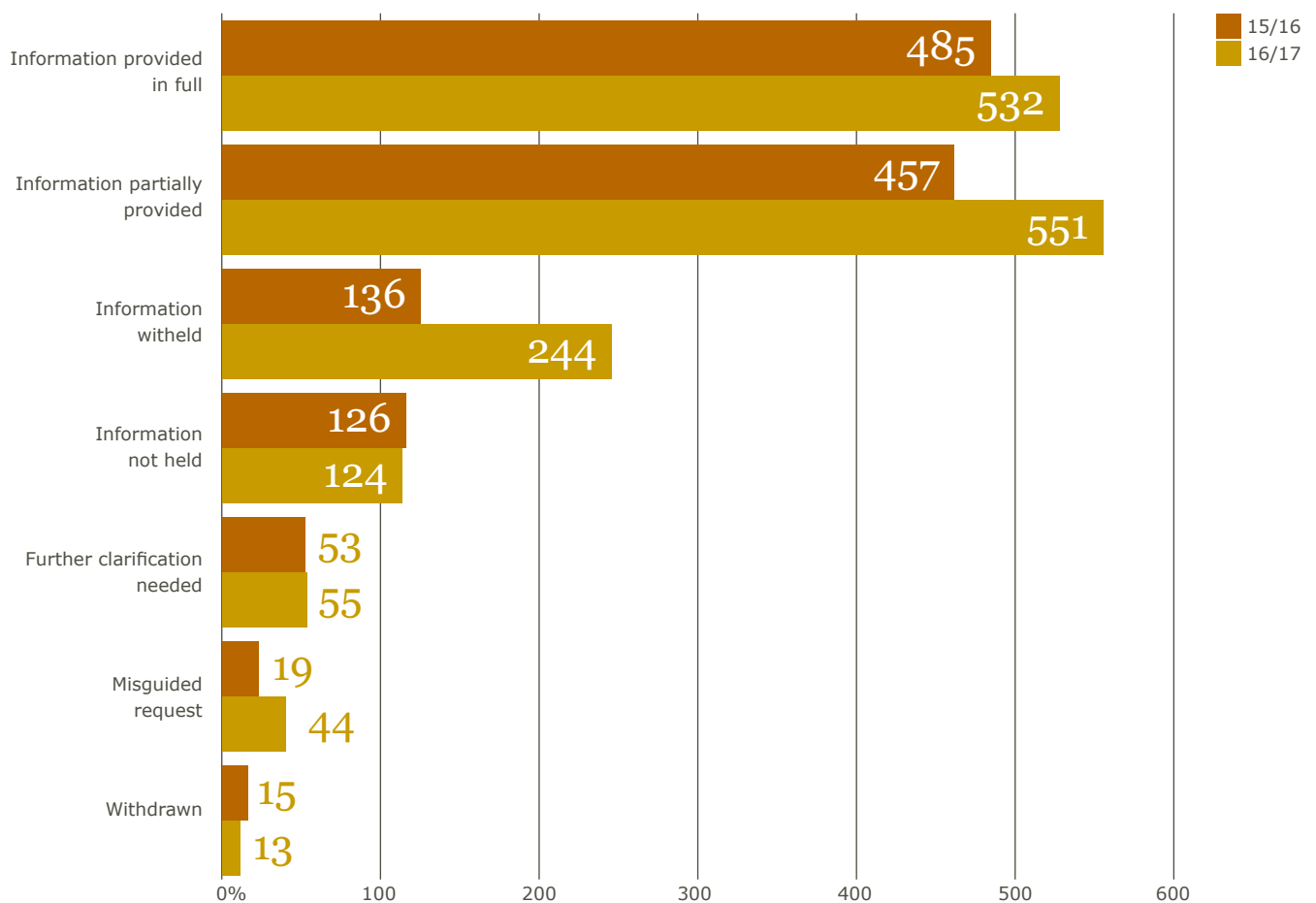


Response times

	2015/16	2016/17
Time for compliance	96%	98%

Average time (days)	2015/16	2016/17
DP	22	18
FOI	14	12
Hybrid	13	12

Request outcomes



Internal reviews

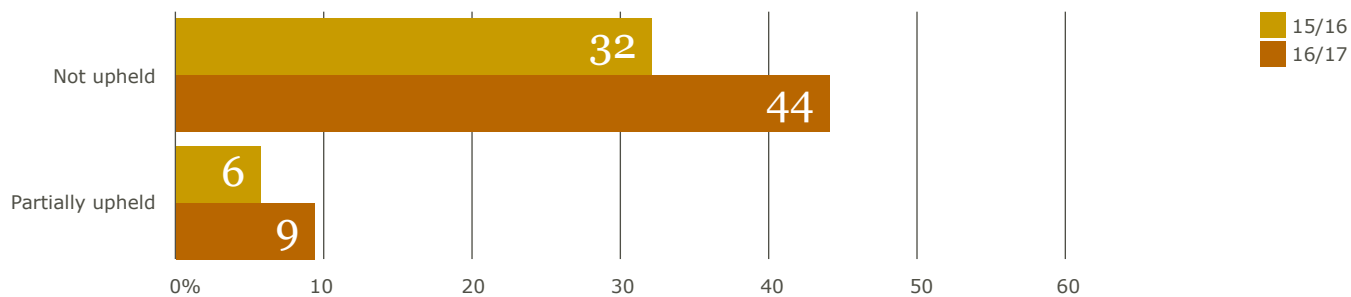
Reviews completed



Response times

	2015/16	2016/17
Completed in 20 days	31	45
Average days	17	16

Review outcomes



We also responded to 289 subject access requests from people wanting to confirm if their details were included on the construction industry blacklist seized in 2009 from The Consulting Association.

Sustainability

Overall strategy

The majority of ICO staff are based near Manchester in one leased building. The building was refurbished in 2010 and the ICO invested in the most appropriate environmental solutions available at that time. The building has a government energy performance operating rating of 62. A rating below 100 is an above average (positive) outcome.

The ICO continues to expand as it takes on wider duties, with the implementation of the GDPR and LED having a major effect on staffing levels during 2017-2018 and 2018-2019. The increase in staff numbers should reduce scope 1 and 2 emissions per full time equivalent staffing but at the same time could increase scope 3 (travel) emissions.

During 2017-2018 we are introducing a centralised travel and accommodation booking service. This will provide more accurate information on office travel, better informing the office of the impact of travel decisions on green house gas emissions.

Performance

The ICO's sustainability performance is detailed below. In general terms there is a gradual overall decline in CO2 emissions against a background of a growing and changing organisation which makes future projections difficult.

Biodiversity action planning

The ICO is not responsible for any outside space and does not have a biodiversity plan.

Sustainable procurement

We ask those tendering for contracts to provide their sustainability statements and policies as standard in most procurement exercises.

Green house gas emissions

Total tonnes CO₂

	2013/14	2014/15	2015/16	2016/17
Scope 1 (gas)	10	9	18	7
Scope 2 (electricity)	209	238	160	123
Scope 3 (travel)	44	67	94	86
Total emissions	263	314	273	217

Tonnes CO₂ per full time equivalent staffing

	2013/14	2014/15	2015/16	2016/17
Scope 1 (gas)	0.03	0.02	0.04	0.02
Scope 2 (electricity)	0.59	0.65	0.39	0.30
Scope 3 (travel)	0.12	0.19	0.23	0.21
Total	0.74	0.86	0.67	0.53

Waste minimisation and management and finite resource consumption

Total waste, water and paper consumption

	2013/14	2014/15	2015/16	2016/17
Waste / tonnes	8	12	16	16
Water consumption / m ³	2,196	2,791	2,100	2,382
A4 paper / reams	3,580	3,540	3,700	4,000

Waste, water and paper consumption per full time equivalent staffing

	2013/14	2014/15	2015/16	2016/17
Waste / tonnes	0.02	0.03	0.04	0.04
Water consumption / m ³	6.20	7.68	5.14	5.82
A4 paper / reams	10.11	9.74	9.06	9.78

Details of ICO performance:**Total travel**

	2013/14	2014/15	2015/16	2016/17
Cars				
Kms	24,277	27,754	31,662	37,264
Cost £	6,310	7,762	8,484	8,195
Tonnes CO ₂	5	5	6	7

Rail

Kms	660,834	664,623	637,460	615,052
Cost £	180,585	185,977	178,755	184,443
Tonnes CO ₂	32	32	29	28

Flights

Number	23	186	496	254
Kms	38,899	176,528	377,845	327,356
Cost £	4,238	28,576	49,770	56,614
Tonnes CO ₂	7	31	60	52

Travel Summary

Cost £	191,133	222,315	237,009	249,252
Tonnes CO ₂	44	67	94	86

Travel per full time equivalent staffing

	2013/14	2014/15	2015/16	2016/17
Cars				
Kms	68.58	76.35	77.49	91.11
Cost £	17.82	21.35	20.76	20.04
Tonnes CO ₂	0.01	0.01	0.01	0.02

Rail				
Kms	1,867	1,828	1,560	1,504
Cost £	510.13	511.63	437.48	450.96
Tonnes CO ₂	0.09	0.09	0.07	0.07

Flights				
Number	0.06	0.51	1.21	0.62
Kms	109.88	485.63	924.73	800.38
Cost £	11.97	78.61	121.81	138.42
Tonnes CO ₂	0.02	0.08	0.15	0.13

Travel Summary				
Cost £	539.92	611.60	580.05	609.42
Tonnes CO ₂	0.12	0.19	0.23	0.21

Total utilities

	2013/14	2014/15	2015/16	2016/17
Gas				
Kwh	56,941	47,569	99,146	37,336
Cost £	2,271	1,775	3,703	1,606
Tonnes CO ₂	10	9	18	7

Electricity

Kwh	432,199	443,299	319,493	246,219
Cost £	62,561	66,959	64,957	50,238
Tonnes CO ₂	209	238	160	123

Utility summary

Cost £	64,832	68,734	68,660	51,844
Tonnes CO ₂	219	247	178	130

Utilities per full time equivalent staffing

	2013/14	2014/15	2015/16	2016/17
Gas				
Kwh	160.85	130.68	242.65	91.29
Cost £	6.42	4.88	9.06	3.93
Tonnes CO ₂	0.03	0.02	0.04	0.02

Electricity

Kwh	1,221	1,218	782	602
Cost £	176.72	183.95	158.97	122.83
Tonnes CO ₂	0.59	0.65	0.39	0.30

Utility summary

Cost £	183.14	188.83	168.04	126.76
Tonnes CO ₂	0.62	0.68	0.44	0.32

Notes:

- Information on waste is provided by the contractors.
- Travel costs and mileage are collated from central records and from staff directly.
- The information is collated quarterly and if figures are not consistent with expectations they are checked.
- Figures may not add due to rounding.

The legislation we regulate

The **Data Protection Act 1998** (DPA) gives citizens important rights including the right to know what information is held about them and the right to correct information that is wrong. The DPA helps to protect the interests of individuals by obliging organisations to manage the personal information they hold in an appropriate way.

The **Freedom of Information Act 2000** (FOIA) gives people a general right of access to information held by most public authorities. Aimed at promoting a culture of openness and accountability across the public sector, it enables a better understanding of how public authorities carry out their duties, why they make the decisions they do and how they spend public money.

The **Privacy and Electronic Communications Regulations 2003** (PECR) support the DPA by regulating the use of electronic communications for the purpose of unsolicited marketing to individuals and organisations, including the use of cookies.

The **Environmental Information Regulations 2004** (EIR) provide an additional means of access to environmental information. The Regulations cover more organisations than the FOIA, including some private sector bodies, and have fewer exceptions.

The **Infrastructure for Spatial Information in the European Community Regulations 2009** (INSPIRE) give the Information Commissioner enforcement powers in relation to the pro-active provision by public authorities of geographical or location based information.

The **Data Retention Regulations 2014** (DRR) provided the Information Commissioner with a limited supervisory role under the Data Retention and Investigatory Powers Act 2014 (DRIPA). This Act was repealed on 31 December 2016 but the ICO's duties have been carried forward to the Investigatory Powers Act 2016 (IPA). The Acts impose duties on communications service providers in respect of the retention of communications data for third party investigatory purposes where they have been issued with a notice from the Secretary of State. The Information Commissioner has a duty to audit the security, integrity and destruction of that retained data.

The **Re-use of Public Sector Information Regulations 2015** (RPSI) gives the public the right to request the re-use of public sector information and details how public sector bodies can charge for re-use and licence the information. The ICO deals with complaints about how public sector bodies have dealt with requests to re-use information.

The **Electronic Identification and Trust Services for Electronic Regulations 2016** (eIDAS) facilitate secure streamlined electronic transactions between businesses, individuals and public authorities in the EU and set out requirements that trust service providers must comply with. The ICO, as the UK's designated Supervisory Authority for eIDAS, can grant qualified status to those providers who comply with extra requirements set out in the Regulations. The ICO also has powers of enforcement.

Going concern

The accounts are prepared on a going concern basis as a non-trading entity continuing to provide statutory public sector services.

Grant in aid has already been included in the Department for Culture, Media and Sport's (DCMS's) estimate for 2017-18, and the Digital Economy Act 2017 has enshrined in law the ICO's ability to fund data protection-related work through fees paid by data controllers from April 2018 onwards. There is no reason to believe that future sponsorship and parliamentary approval will not be forthcoming.

Operational performance summary

The ICO's overall productivity for our data protection, freedom of information and self reported breach work is up on last year with data protection closures in particular increasing by 1,637 (10%). Freedom of information, written advice and enforcement work also continued an upwards trend.

Our policy and liaison teams have also seen increased workloads as a result of the higher volume of cases requiring their input, greater international engagement and preparation for the implementation of the GDPR and LED.

Enforcement and investigations work also show increases in most areas with major investigations into the work of private investigators acting on behalf of corporate clients and the automotive repair industry, amongst others, ongoing during the year.

Financial performance summary

Grant in aid

Freedom of information expenditure continued to be funded by grant in aid. The grant in aid for 2016-17 was £3,750k (2015-16: £3,750k).

No grant in aid was carried forward in 2016-17 (2015-16: nil).

Fees

Data protection activities are financed by fees collected from data controllers who have to notify their processing of personal data under the DPA.

The annual fee is £35, unchanged from its introduction in 2000. It applies to charities and small organisations with fewer than 250 employees. In 2009 a higher fee of £500 was introduced for larger data controllers defined as those with an annual turnover of £25.9 million or more and employing more than 250 people. For public authorities employing more than 250 people the fee is also £500.

Fees collected in the year totalled £19,729k (2015-16: £18,311k); a 7.7% increase on the previous year.

The ICO is allowed to carry forward into the following financial year funds that are necessary to meet any liabilities arising in the preceding financial year, such as creditors. £116k (2015-16: £1,742k) has been carried forward into 2016-17, along with an additional amount of £172k (2015-16: £158k) as uncleared cash in transit which was not available for spend.

Annual expenditure

The total comprehensive expenditure for the year was £4,504k (2015-16: £5,255k).

Financial instruments

Details of our approach and exposure to financial risk are set out in note 8 to the financial statements.



Elizabeth Denham
Information Commissioner
5 July 2017



Accountability report

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Directors' report

Directorships and other significant interests held by Board Members that may conflict with their management responsibilities

Membership of the ICO Management Board, along with further information, is detailed in the Governance Statement.

A register of interests is maintained for the Information Commissioner and her Management Board. It is published on the Commissioner's website at www.ico.org.uk. Declarations of interest in any of the items coming to a particular meeting are also asked for at Board, Audit Committee and Remuneration Committee meetings.

Employee involvement and well being

The ICO has a policy of co-operation and consultation with recognised trade unions over matters affecting staff, and senior managers regularly meet with trade unions to discuss issues of interest. In addition staff involvement in the work of the office is actively encouraged as part of the day-to-day process of line management.

Equal opportunities and diversity

We aim to ensure that all members of society have awareness of, and access to, their information rights and receive appropriate protection if their rights are infringed. To do this we have sought to include equality and diversity in our daily work.

Our Equality and Diversity Committee and Senior Leadership Team oversee our efforts to provide an increasingly accessible service. As part of this we have improved the co-ordination of reports on equality based activity, giving a better picture of how we meet the aims of the Equality Act and in turn enabling us to publish our Annual Equality Report.

We have also provided our staff with a work environment and IT systems which help meet a range of needs; including accessible offices and IT systems, flexible and part-time working to help work-life balance and the provision of occupational health services.

We aim to recruit from a range of backgrounds and take the applicant anonymous approach when assessing candidates for employment.

The community

This year ICO staff chose to support the charity Dyslexia Action and raised almost £4,000.

Pension liabilities

Details regarding the treatment of pension liabilities are set out in note 3 to the financial statements.

Personal data incidents

There have been no substantive security incidents during 2016-17.

Public sector information holders

The ICO has complied with the cost allocation and charging requirements set out in HM Treasury guidance.

Annual accounts and audit

The annual accounts have been prepared in a form directed by the Secretary of State with the consent of the Treasury in accordance with paragraph (10)(1)(b) of Schedule 5 to the DPA. Under paragraph (10)(2) of Schedule 5 to the DPA the Comptroller and Auditor General is appointed auditor to the Information Commissioner. The cost of audit services for this year was £30k (2015-16: £32.50k). No other assurance or advisory services were provided.

So far as the Accounting Officer is aware there is no relevant audit information of which the Comptroller and Auditor General is unaware, and the Accounting Officer has taken all the steps that she ought to have taken to make herself aware of relevant audit information and to establish that the Comptroller and Auditor General is aware of that information.

Directors' statement

Each of the persons who are directors at the time this report is approved:

- (a) so far as the director is aware there is no relevant audit information of which the auditor is unaware; and
- (b) the director has taken all the steps they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Statement of the Information Commissioner's responsibilities

Under paragraph 10(1)(b) of Schedule 5 to the DPA the Secretary of State has directed the Information Commissioner to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Information Commissioner at the year end and of her income and expenditure, recognised gains and losses and cash flows for the financial year.

In preparing the accounts the Information Commissioner is required to comply with the requirements of the Government Financial reporting Manual (FReM) and in particular to:

- observe the Accounts Direction issued by the Secretary of State with the approval of the Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the FReM have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Information Commissioner's Office will continue in operation.

The Accounting Officer of the DCMS has designated the Information Commissioner as Accounting Officer for her Office. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances and for keeping of proper records and for safeguarding the Information Commissioner's assets, are set out in the Non-Departmental Public Bodies' Accounting Officer Memorandum, issued by the Treasury and published in Managing Public Money.

The Accounting Officer has confirmed that the annual report and accounts as a whole is fair, balanced and understandable and that she takes personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

Governance statement

Introduction

The Information Commissioner is a corporation sole as established under the DPA. Under the terms of the EU Data Protection Directive the Information Commissioner and her office must be completely independent of Government. I am accountable to Parliament for the exercise of my statutory functions and the independence of the ICO is enshrined in legislation.

Relationship with the Department for Culture, Media and Sport

The DCMS is the sponsoring department for the ICO. The relationship with the department is governed by a draft Management Agreement which sets out our responsibility to support the work of both organisations and to help ensure my independence and that of my office. The draft agreement also ensures that appropriate reporting arrangements are in place to enable the DCMS to monitor the expenditure of public money allocated to the ICO.

The DCMS has policy responsibility for the DPA and its associated legislation. The Cabinet Office had policy responsibility for the FOIA.

Management Board

I have a Management Board to support me in the role of Accounting Officer. The Board is responsible for developing strategy, monitoring progress in implementing strategy, providing corporate governance and assurance and for managing corporate risks. The Board comprises myself, two Deputy Commissioners, a Deputy Chief Executive Officer, and up to four non-executive members.

The Board meets quarterly and considers risk management as well as reports on operational, financial, organisational and corporate issues. It also received reports from my Audit Committee, Remuneration Committee (now disbanded), and Senior Management Team (now the Senior Leadership Team).

In the course of 2016-17 there were major changes in ICO senior management:

- Christopher Graham's tenure as Information Commissioner ended on 29 June 2016. Simon Entwisle, as Deputy Commissioner, took on the responsibilities of the Commissioner pending my tenure commencing on 18 July 2016.
- Steve Wood was made interim Deputy Commissioner as of 30 June 2016, to support both Simon Entwisle and then me in the role of Commissioner until shortly after the appointment of Rob Luke as my Deputy Commissioner (Policy) in February 2017.
- As part of the management reorganisation Paul Arnold was appointed interim Deputy Chief Executive Officer as of 3 January 2017. His position was subsequently made permanent following a full and open recruitment exercise.
- There were also changes to the Non-executive Directors. Ian Watmore stood down in the Summer 2016 and Jane McCall and David Cooke were both appointed to the two vacant positions.

The table below details attendance at the Management Board meetings during the year.

Dates	25-Apr-16	25-Jul-16	31-Oct-16	06-Feb-17	Notes
Christopher Graham	1				End of tenure 29 June 2016
Elizabeth Denham		1		1	Beginning of tenure 18 July 2016
Simon Entwisle	1	1	1	1	
Steve Wood		1	1		From 27 June 2016 to 31 March 2017
Rob Luke				1	Appointed 30 January 2017
Paul Arnold				1	Appointed 3 January 2017
Ailsa Beaton	1	1	1	1	
Ian Watmore	1	1			Stood down 30 September 2016
Nicola Wood	1	1	1	1	
Jane McCall			1	1	Appointed 31 October 2016
David Cooke			1	1	Appointed 31 October 2016

Audit committee

The Audit Committee meets quarterly and provides scrutiny, oversight and assurance in respect of risk control and governance. Up to its June 2016 meeting the Committee consisted of Ian Watmore as chair of the Committee, Ailsa Beaton as the other non-executive member and Roger Barlow as the independent member. On Ian's departure Ailsa Beaton was appointed chair and Jane McCall was appointed as a non-executive member.

The table below shows attendance of Audit Committee members at the meetings during the year.

Dates	06-Jun-16	12-Sep-16	12-Dec-16	07-Mar-17	Notes
Ian Watmore	1	1			Chair to the September 2016 meeting
Roger Barlow	1	1	1	1	
Ailsa Beaton		1	1	1	Chair from the December 2016 meeting
Jane McCall				1	

Both external and internal auditors attend the Audit Committee and have pre-meetings with Committee members.

The Audit Committee has published its own Annual Report for 2016-17 on the ICO website (www.ico.org.uk). The report states that the Committee is satisfied with the quality of internal and external audit and believes that it is able to take a measured and diligent view of the quality of the systems of reporting and control within the ICO.

Remuneration committee

The Board was supported by a Remuneration Committee consisting of two non-executive Board members, Ailsa Beaton (chair) and Nicola Wood. The Committee met on the 18 May 2016. Since then Management Board has confirmed a decision to disband the Committee, subsuming its role into that of the Management Board.

Senior management team and senior leadership team

The Senior Management Team provided day-to-day leadership for the ICO and as such was responsible for developing and delivering against the information rights strategy and the ICO Plan. The Team consisted of me, my Deputy Commissioners, Deputy Chief Executive Officer and Heads of Department. It met fortnightly with its last meeting on 23 January 2017.

As part of the reorganisation of the governance structure, from February onwards the Senior Management Team was replaced as the body responsible for providing day to day leadership of the ICO by my Senior Leadership Team. This team consisted of me, my Deputy Commissioners and my Deputy Chief Executive Officer.

Board effectiveness

Given the major changes in Board membership during the year the Board considered it more appropriate to evaluate its own performance formally at a later stage.

The Management Board has previously considered its compliance with the "Corporate governance in central government departments: Code of good practice 2011". The ICO does not fully comply with the code, but the Board consider that there are good reasons for this given the size and nature of the organisation as a corporation sole. In particular:

- the Board does not have the powers and duties of a Board in which is vested the ultimate authority of the organisation. This is because the Commissioner is the 'corporation';
- the Board does not have a lead non-executive director, but given the size of the Board and the ICO and its responsibilities, this is not felt necessary;
- non-executive members do not have a specific section in the ICO's Annual Report but this is not currently considered necessary;
- composition of the Board reflects the nature, responsibilities and size of the ICO;
- the ICO does not have a Nominations and Governance Committee but the Board's focus on governance, and its taking on of the previous Remuneration Committee's overview of remuneration policies in general is considered to provide the necessary coverage; and
- in respect of an operating framework the Board operates within the overall system of corporate governance at the ICO and has recently agreed revised terms of reference.

The Board has recently reviewed the information it receives and is satisfied with its quality. The format of papers coming to the Board is being revised to better reflect the new management and governance structures now in place.

Issues and highlights

The ICO's corporate governance structure has considered various issues of substance during the course of the year. These include:

- the impact of the June 2016 referendum on EU membership on the work of the ICO and on introduction of the GDPR in May 2018;
- ICO preparedness for the implementation of GDPR as the likely regulator of the new data protection legislation from May 2018;
- management and governance reorganisation and the recruitment and induction of a new Senior Leadership Team;
- the setting up of a grants scheme; and
- an updated Information Rights Strategy.

A risk assessment

Risks are regularly reviewed by senior managers with a major review each spring. The risk register is also discussed at Management Board, Audit Committee and at quarterly meetings with the DCMS, our sponsoring department.

The main risks identified during the 2016-17 year related to:

Change

- the ICO is preparing to implement the GDPR and the Law Enforcement Directive in May 2018, both of which will have a large impact on the work of the ICO and how we regulate data protection compliance.
- the ICO has welcomed a new Commissioner, Elizabeth Denham, and a new Senior Leadership Team. There have been subsequent changes to the management and governance structures.

ICO relevance

- the ICO covers a range of issues and prioritises on the basis of information risk. In doing so there is a risk that we do not properly understand or reflect the concerns of stakeholders and that we are seen as not being relevant.

Resources

- the ICO is preparing to implement the GDPR and the LED. We have been working with DCMS to ensure finances for 2017-18 are in place to allow us to adequately prepare for the change, and then from 2018-19 onwards to implement the new legislation.

The main area of uncertainty for the future relates to implementation of the GDPR and LED in May 2018. In particular:

- changing internal processes and procedures and making sure we have the right staff in the right place to provide advice and to enforce the GDPR and LED.
- providing guidance on the requirements of the GDPR and LED for data controllers, and explaining to the public their rights under the new legislation.
- introducing a new robust fee system to finance data protection work.

Sources of assurance

As Accounting Officer I have responsibility for reviewing the effectiveness of the system of internal control, including the risk management framework. My review is informed by the work of the internal auditors and the Senior Management and Leadership Team members who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. In their annual report, our internal auditors have given an overall assurance that they are satisfied that sufficient internal audit work has been undertaken to allow them to draw a reasonable conclusion as to the adequacy and effectiveness of the ICO's risk management, governance and control processes.

I have been advised on the implications of the result of my review by the Board and the Audit Committee. I am satisfied that a plan to address weaknesses in the system of internal control and ensure continuous improvement of the system is in place. I am also satisfied that all material risks have been identified and that those risks are being properly managed.

Remuneration policy (audited)

Schedule 5 to the DPA provides that the salary of the Information Commissioner is to be specified by a Resolution of the House of Commons and on 24 November 2008 the House of Commons resolved that in respect of service after 30 November 2007 the salary of the Information Commissioner should be £140,000 pa. The salary of the Information Commissioner is paid directly from the Consolidated Fund in accordance with the Schedule.

Prior to 1 September 2013 the remuneration of staff and other officers was determined by the Information Commissioner with the approval of the Secretary of State. Following commencement of Section 108 of the Protection of Freedoms Act such decisions are now made in consultation with the Secretary of State and treasury.

In making decisions on remuneration the Information Commissioner has regard to the following considerations:

- the need to recruit, retain and motivate suitably able and qualified people;
- government policies for improving the public services;
- the funds available to the Information Commissioner; and
- Treasury pay guidance.

Prior to the Remuneration Committee's role being subsumed within that of the Management Board, it considered and advised the Management Board on remuneration policies and practices for all staff, and on behalf of the Board, determine appropriate remuneration for the Deputy Commissioners and the Deputy Chief Executive Officer.

Unless otherwise stated, staff appointments are made on merit on the basis of fair and open competition and are open-ended until normal retiring age. Early termination, other than for misconduct, should result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Non-executive Directors are paid an annual salary of £12,000 and are appointed for an initial term of three years, renewable by mutual agreement for one further term of a maximum of three years.

Remuneration and staff report

Salary and pension entitlements

Details of the remuneration and pension interests of the Information Commissioner and his most senior officials are provided below.

Remuneration (salary, bonuses, benefits in kind and pensions) (audited)

Single total figure of remuneration

Officials	Salary (£'000)		Benefits in kind (£'000) (-nearest £100)		Compensation schemes (£'000)		Pension benefits (£'000) ¹		Total (£'000)	
	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16
Elizabeth Denham Information Commissioner & Chief Executive	95-100 (full year 140-145)	—	41.6	—	—	—	35-40	—	175-180	—
Christopher Graham Information Commissioner & Chief Executive	30-35 (full year 140-145)	140-145	—	—	—	—	0	50-55	30-35	190-200
Simon Entwisle Director of Operations/ Deputy CEO	95-100	90-95	0.1	0.1	—	—	20-25	40-45	115-120	125-135
Paul Arnold Deputy Chief Executive Officer	60-65 (full year 80-85)	—	—	—	—	—	25-30	—	95-100	—
Rob Luke Deputy Commissioner (Policy)	10-15 (full year 80-85)	—	—	—	—	—	30-35*	—	40-45	—
Steve Wood Interim Deputy Commissioner (Policy)	65-70	—	—	—	—	—	40-45	—	105-110	—
David Smith Deputy Commissioner & Director for Data Protection	— 70-75 (full year 90-95)	—	—	0.1	—	—	—	55-60	—	125-135

Single total figure of remuneration

Officials	Salary (£'000)		Benefits in kind (£'000) (-nearest £100)		Compensation schemes (£'000)		Pension benefits (£'000) ¹		Total (£'000)	
	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16
Graham Smith Deputy Commissioner & Director for Freedom of Information	50-55 — (full year 90-95)		—	—	—	—	—	15-20	—	60-70
Ailsa Beaton Non-Executive Board Member	10-15	10-15	—	—	—	—	—	—	10-15	10-15
Nicola Wood Non-Executive Board Member	10-15	10-15	—	—	—	—	—	—	10-15	10-15
David Cooke Non-Executive Board Member	5-10 (full year 10-15)	—	—	—	—	—	—	—	5-10	—
Jane McCall Non-Executive Board Member	5-10 (full year 10-15)	—	—	—	—	—	—	—	5-10	—
Andrew Hind Non-Executive Board Member	5-10 — (full year 10-15)		—	—	—	—	—	—	—	5-10
Ian Watmore Non-Executive Board Member	5-10 (full year 10-15)	10-15	—	—	—	—	—	—	5-10	10-15

* Includes benefits accrued prior to ICO employment.

The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20 plus the real increase in any lump sum, less the contributions made by the individual. The real increases exclude increases due to inflation or any increase or decrease due to a transfer of pension rights.

Salary comprises gross salary and any other allowance to the extent that it is subject to UK taxation. Bonus payments of £89 were made in 2016-17 to two Board Members.

A relocation package of up to £50k to be paid by the ICO was agreed to cover Elizabeth Denham's relocation expenses. The actual spend from this allocation has been reflected as a benefit in kind. All other benefits in kind relate to the organisation's contribution to the ICO's health care plan provided by BHSF.

Pay multiples (audited)

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce. The Information Commissioner is deemed to be the highest paid Director and no member of staff receives remuneration higher than the highest paid Director.

The banded remuneration of the highest paid director of the ICO in the financial year 2016-17 was £140k to £145k (2015-16: £140k to £145k). This was 5.6 times (2015-16: 5.7 times) the median remuneration of the workforce, which was £24,911 (2015-16 £24,651). The median total remuneration is calculated by ranking the annual full time equivalent salary as at 31 March 2017 for each member of staff. To allow comparability, remuneration of the highest paid director excludes the one-off benefits-in-kind package of £41.6k disclosed in the table on page 47.

Staff remuneration ranged from £16,428 to £140,000 (2015-16: £16,328 to £140,000).

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions or the Cash Equivalent Transfer Value (CETV) of pensions.

In common with other public sector organisations, the ICO has adhered to government pay restraint policies.

Pension Benefits (audited)

	Accrued pension at pension age as at 31 March 2017 and related lump sum £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31 March 2017 £'000	CETV at 31 March 2016 £'000	Real increase in CETV £'000
Elizabeth Denham Information Commissioner	0-5	0-2.5	33	—	26
Christopher Graham Information Commissioner (left scheme prior to end of employment)	—	—	—	408	—
Simon Entwisle Director of Operations/ Deputy CEO	40-45 plus lump sum 130-135	0-2.5 plus lump sum 2.5-5	1,008	986	23
Paul Arnold Deputy Chief Executive Officer	10-15 plus lump sum 35-40	0-2.5 plus lump sum 2.5-5	200	182	16
Rob Luke Deputy Commissioner (Policy)	15-20 plus lump sum 40-45	0-2.5 plus lump sum 2.5-5	218	199	17
Steve Wood Deputy Commissioner (interim)	10-15	0-2.5	139	112	24
David Smith Deputy Commissioner and Director for DP	—	—	—	1,055	—
Graham Smith Deputy Commissioner and Director for FOI	—	—	—	364	—

The CETV figures are provided by MyCSP, the ICO's Approved Pensions Administration Centre, who have assured the ICO that they have been correctly calculated following guidance provided by the Government Actuary's Department.

Partnership pensions

There were no employer contributions to partnership pension accounts in the year for the above staff.

Civil service pensions

Further details about the Civil Service pension arrangements are available at www.civilservice.gov.uk/pensions.

Cash Equivalent Transfer Values

A CETV is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. It represents the amount paid made by a pension scheme or arrangement to secure pension benefits in another pension scheme arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme.

The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement that the individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional pension benefits at their own cost. CETV's are worked out in accordance with The Occupational Pensions Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Number of senior civil service staff (or equivalent) by band

The Information Commissioner, the two Deputy Commissioners, the Deputy Chief Executive Officer and the Non-executive Directors are the only staff categorised as being at a grade equivalent to the senior civil service.

Staff numbers and costs (split between permanent and short term contract/agency staff)

As at 31 March 2017 the ICO had 472 permanent staff (439.4 full time equivalents). The average number of permanent staff over the year was 460 (426.4 full time equivalents).

During 2016-17 the ICO employed an average of nine other staff (eg temporary or agency) (8.6 full time equivalents).

Staff costs comprise:

	Permanently employed staff £'000	Others £'000	2016/17 Total £'000	2015/16 Total £'000
Wages and salaries	12,368	238	12,606	11,492
Social security costs	1,173	—	1,173	766
Other pension costs	2,487	—	2,487	2,212
Sub-total	16,028	238	16,266	14,470
Less recoveries in respect of outward secondments	(91)	—	(91)	(154)
Total net costs	15,937	238	16,175	14,316

Staff composition

As of the end of this financial year there were eight members of the Management Board of whom four were male and four female.

Across the ICO as a whole 39% of staff were male and 61% female.

Sickness absence

The average number of sick days taken per person during the year was six days (2015-16: 5.6 days).

Staff policies relating to the employment of disabled persons

The ICO's recruitment processes ensure that shortlisting managers only assess the applicant's skills, knowledge and experience for the job. All personal information is removed from applications before shortlisting.

The ICO applies the Disability Confident standard for job applicants who are disabled. It has also assisted in the continued employment of disabled people by providing a work environment that is accessible and equipment that allows people to perform effectively. Our disabled staff are given equal access to training and promotion opportunities and adjustments are made to work arrangements, work patterns and procedures to ensure that people who are, or become, disabled, are treated fairly and can continue to contribute to the ICO's aims.

Expenditure on consultancy

During 2016-17 there has been no expenditure on consultancy as defined in Cabinet Office spending controls guidance.

Off-payroll engagements

There were no off payroll engagements during 2016-17.

Exit packages (audited)

There were no exit packages paid in the year (2015-16: nil).

Redundancy and other departure costs are paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where the Information Commissioner has agreed early retirements the additional costs are met by the Information Commissioner and not by the Principle Civil Service Pension Scheme (PCSPS). Ill health retirement costs are met by the pension scheme and are not included in the table above.

There were no compulsory redundancies in the year (2015-16: none).

Ex-gratia payments made outside of the provisions of the Civil Service Compensation Scheme are agreed directly with the Treasury.

Regularity of expenditure (audited)

There are no regularity of expenditure issues.

Fees and charges (audited)

Information on fees collected from data controllers who notify their processing of personal data under the DPA is provided as part of the performance report earlier in this document.

Remote contingent liabilities

Please see note 16 to the accounts.

Long-term expenditure trends

During 2017-18 the ICO faces the challenge of not only maintaining its performance in processing work arising from its current responsibilities under the DPA, but must also prepare for major changes to its data protection work with the introduction of the GDPR and LED in May 2018. This represents a major change in data protection legislation which will have a large impact, not only on the duties and responsibilities of data controllers and the rights of individual citizens, but also on how the ICO works as a regulator.

The Government's impact assessment suggests the additional work has the potential, in the long term, to require up to a 70% increase in the office's budget for data protection work. From 2018-19 a new data protection fee structure will allow the ICO to better match fee income to the cost of regulation. However, in the short term (2017-18) the cost of preparing for these changes is estimated at being £1.6m above projected data protection fee income. DCMS has confirmed additional funding of £1.4m, to be repaid, to help cover the projected budget shortfall during 2017-18. And the ICO fully anticipates finding the balance by effective management of the notification fee process and of expenditure during the year.



Elizabeth Denham
Information Commissioner
5 July 2017

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements of the Information Commissioner's Office for the year ended 31 March 2017 under the Data Protection Act 1998. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration and Staff Report and the Parliamentary Accountability Disclosures that is described in that report as having been audited.

Respective responsibilities of the Board, Accounting Officer and auditor

As explained more fully in the Statement of Information Commissioner's Responsibilities, the Board and the Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Data Protection Act 1998. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Information Commissioner's Office's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Information Commissioner's Office; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Information Commissioner's Office's affairs as at 31 March 2017 and of the net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Data Protection Act 1998 and Secretary of State directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report and Staff Report and the Parliamentary Accountability disclosures to be audited has been properly prepared in accordance with Secretary of State directions made under the Data Protection Act 1998; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration and Staff Report and the Parliamentary Accountability disclosures to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Sir Amyas C E Morse
Comptroller and Auditor General
7 July 2017

National Audit Office
157-197 Buckingham Palace Road
Victoria
London, SW1W 9SP



Financial statements

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Statement of comprehensive net expenditure for the year ended 31 March 2017

		2016/17	2015/16
	Note	£000	£000
Expenditure			
Staff costs	3	16,175	14,316
Other expenditure	4	7,176	6,724
Depreciation and other non-cash costs	4	8,921	8,886
Total expenditure		25,096	23,202
Income			
Income from activities	5a	(20,157)	(17,819)
Net expenditure		4,939	5,383
Other comprehensive expenditure			
Net gain on revaluation of property, plant and equipment		(435)	(128)
Total comprehensive expenditure for the year ended 31 March		4,504	5,255

All income and expenditure relates to continuing operations.

Statement of financial position as at 31 March 2017

	Note	31 March 2017		31 March 2016	
		£'000	£'000	£'000	£'000
Non-current assets					
Property, plant and equipment	6	1,582		1,404	
Intangible assets	7	244		1,056	
Total non-current assets			1,826		2,460
Current assets					
Trade and other receivables	9	1,078		2,391	
Cash and cash equivalents	10	3,629		2,808	
Total current assets			4,707		5,199
Total assets			6,533		7,659
Current liabilities					
Trade and other payables	11		(2,892)		(3,485)
Provisions	12		(9)		(614)
Non-current assets plus net current assets			3,632		3,560
Non-current liabilities					
Provisions	12		(650)		(54)
Assets less liabilities			2,982		3,506
Taxpayers' equity					
Revaluation reserve		323		105	
General reserve		2,659		3,401	
			2,982		3,506



Elizabeth Denham
Information Commissioner
5 July 2017

Statement of cash flows

for the year ended 31 March 2017

	Note	2016/17 £'000	2015/16 £'000
Cash flows from operating activities			
Net expenditure		(4,939)	(5,383)
Adjustment for non-cash items	3,4,12	1,936	2,458
Decrease/(increase) in trade and other receivables	9	850	(71)
Increase/(decrease) in trade payables	11	282	(488)
Use of provisions	12	(9)	(9)
Net cash outflow from operating activities		(1,880)	(3,493)
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(668)	(788)
Purchase of intangible assets	7	(10)	(76)
Net cash outflow from investing activities		(678)	(864)
Cash flows from financing activities			
Grant in aid received from the DCMS	1.3	3,790	3,731
Net cash flows from financing activities		3,790	3,731
Net increase/(decrease) in cash and cash equivalents during the year before adjustment for receipts and payments to the Consolidated Fund			
		1,232	(626)
Receipts due to the Consolidated Fund which are outside the scope of the Information Commissioner's activities		2,384	1,563
Payments of amounts due to the Consolidated Fund		(2,795)	(828)
Net increase/(decrease) in cash and cash equivalents in the year after adjustment for receipts and payments to the consolidated fund			
		821	109
Cash and cash equivalents at the start of the year		2,808	2,699
Cash and cash equivalents at the end of the year	10	3,629	2,808

Statement of changes in taxpayers' equity for the year ended 31 March 2017

	Note	Revaluation reserve £'000	General reserve £'000	Total reserves £'000
Balance at 31 March 2015		266	4,574	4,840
Changes in tax payers' equity 2015/16				
Grant in aid from the DCMS			3,731	3,731
Transfers between reserves		(289)	289	—
Comprehensive expenditure for the year		128	(5,383)	(5,255)
Non-cash charges – Information Commissioner's salary costs	3		190	190
Balance at 31 March 2016		105	3,401	3,506
Changes in tax payers' equity 2016/17				
Grant in aid from the DCMS	1.3		3,790	3,790
Transfers between reserves		(217)	217	—
Comprehensive expenditure for the year		435	(4,939)	(4,504)
Non-cash charges – Information Commissioner's salary costs	3		190	190
Balance at 31 March 2017		323	2,659	2,982

Notes to the accounts

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2016-17 FReM issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged most appropriate to the particular circumstances of the Information Commissioner for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Information Commissioner are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment and intangible assets at their value to the business by reference to current costs.

1.2 Disclosure of IFRSs in issue but not yet effective

The Information Commissioner has reviewed the IFRS in issue but not yet effective (as below), and has determined that there is a new standard that is likely to have a significant impact.

Standard	Impact
IAS 7 – Disclosure Initiative	Not applicable
IAS 12 – Recognition of Deferred Tax Assets for Unrealised Losses	Not applicable
IFRS 15 – Revenue from Contracts with Customers	Not applicable
IFRS 9 – Financial Instruments	Not applicable
IFRS 2 – Classification and Measurement of Share-based Payment Transactions	Not applicable
IFRS 4 – Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	Not applicable
IFRS 16 – Leases	Due to be implemented in January 2019. This standard will impact on the accounting treatment of any current leases and will have a material effect on the accounts of the ICO. All leases will be required to be presented on the Statement of Financial Position.

1.3 Grant in aid

Grant in aid is received from the DCMS to fund expenditure on freedom of information work, and is credited to the General Reserve on receipt.

1.4 Cash and cash equivalents

Cash and cash equivalents recorded in the Statement of Financial Position and Statement of Cash Flows include cash in hand, deposits held at call with banks, other short-term highly liquid investments and bank overdrafts.

1.5 Income from activities and Consolidated Fund income

Income collected under the DPA is surrendered to the DCMS as Consolidated Fund income, unless the DCMS (with the consent of the Treasury) has directed otherwise, in which case it is treated as Income from activities. There are three main types of income collected:

Data protection notification fees

Fees are collected from annual notification fees paid by data controllers required to notify their processing of personal data under the DPA. The Commissioner has been directed to retain the fee income collected to fund data protection work and this is recognised in the Statement of Comprehensive Net Expenditure as income. At the end of each year the Commissioner may carry forward to the following year sufficient fee income to pay year end creditors. Any fees in excess of these limits are paid over to the Consolidated Fund.

Civil monetary penalties

The Commissioner can impose civil monetary penalties of up to £500k for serious breaches of the DPA or PECR. A penalty can be reduced by 20% if paid within 30 days of being issued.

The Commissioner does not take action to enforce a civil monetary penalty unless, and until, the period specified in the notice as to when the penalty must be paid has expired and the penalty has not been paid, all relevant appeals against the monetary penalty notice and any variation of it have either been decided or withdrawn, and the period for the data controller to appeal against the monetary penalty and any variation of it has also expired.

Civil monetary penalties collected by the Commissioner are recognised on an accruals basis when issued. They are paid over to the Consolidated Fund net of any early payment reduction when received. Civil monetary penalties are not recognised in the Statement of Comprehensive Net Expenditure but are treated as an asset and a liability in the Statement of Financial Position.

The amounts recognised are regularly reviewed and subsequently adjusted in the event that a civil monetary penalty is varied, cancelled, impaired or written off as irrecoverable. Amounts are written off as irrecoverable on the receipt of legal advice. Legal fees incurred in recovering debts are borne by the ICO.

Sundry receipts

The Commissioner has been directed to retain certain sundry receipts such as reimbursed travel expenses, conference fees and recovered legal costs. This is recognised in the Statement of Comprehensive Net Expenditure as income.

The Commissioner has interpreted the FReM to mean that she is acting as a joint agent with the DCMS, and that income not directed to be retained as Income from Activities falls outside of normal operating activities and are not reported through the Statement of Comprehensive Net Expenditure, but disclosed separately within the notes to the accounts. This included receipts such as bank interest, which is paid to the Consolidated Fund.

1.6 Notional costs

The salary and pension entitlement of the Information Commissioner are paid directly from the Consolidated Fund and are included within staff costs and then reversed with a corresponding credit to the General Reserve.

1.7 Pensions

Past and present employees are covered by the provisions of the PCSPS.

1.8 Property, plant and equipment

Assets are classified as property, plant and equipment if they are intended for use on a continuing basis, and their original purchase cost, on an individual basis, is £2,000 or more; except for laptop and desktop computers which are capitalised even when their individual cost is below £2,000.

Property, plant and equipment (excluding assets under construction) are carried at fair value. Depreciated modified cost is used as a proxy for fair value by using appropriate indices published by the Office for National Statistics due to the short length of the useful life of information technology and furniture and fittings, and the low values of items of plant and machinery.

At each balance sheet date the carrying amounts of property, plant and equipment and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists the fair value of the asset is estimated in order to determine the impairment loss. Any impairment charge is recognised in the Statement of Comprehensive Net Expenditure account in the year in which it occurs.

1.9 Depreciation

Depreciation is provided on property, plant and equipment on a straight-line basis to write off the cost or valuation evenly over the asset's anticipated life. A full year's depreciation is charged in the year in which an asset is brought into service. No depreciation is charged in the year of disposal. The principal lives adopted are:

Information technology:	between five and 10 years
Plant and machinery:	between five and 10 years
Leasehold improvements:	over the remainder of the property lease

1.10 Intangible assets and amortisation

Intangible assets are stated at the lower of replacement cost and recoverable amount. Computer software licences and their associated costs are capitalised as intangible assets where expenditure of £2,000 or more is incurred. Software licences are amortised over their useful economic life which is estimated as four years or the length of the contract, whichever is the shorter term.

1.11 Operating leases

Amounts payable under operating leases are charged to the Comprehensive Net Expenditure Account on a straight-line basis over the lease term, even if the payments are not made on such a basis.

1.12 Provisions

Provisions are recognised when there is a present obligation as a result of a past event where it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

1.13 Value added tax

The Information Commissioner is not registered for VAT as most activities of the ICO are outside of the scope of VAT and fall below the registration threshold. VAT is charged to the relevant expenditure category, or included in the capitalised purchase cost of non-current assets.

1.14 Segmental reporting

The policy for segmental reporting is set out in note 2 to the Financial statements.

2. Analysis of net expenditure by segment

	Data protection £'000	Freedom of information £'000	2016/17 Total £'000
Gross expenditure	21,346	3,750	25,096
Income	(20,157)	—	(20,157)
Net expenditure	1,189	3,750	4,939

	Data protection £'000	Freedom of information £'000	2015/16 Total £'000
Gross expenditure	19,452	3,750	23,202
Income	(17,819)	—	(17,819)
Net expenditure	1,633	3,750	5,383

All expenditure is classed as administrative expenditure.

The analysis above is provided for fees and charges purposes and for the purpose of IFRS 8: Operating Segments.

The factors used to identify the reportable segments of data protection and freedom of information were that the Commissioner's main responsibilities are contained within the DPA and FOIA, and funding is provided for data protection work by collecting an annual registration fee from data controllers under the DPA, whilst funding for freedom of information is provided by a grant in aid from the DCMS.

The data protection registration fee is set by the Secretary of State, and in making any fee regulations under section 26 of the DPA, as amended by paragraph 17 of Schedule 2 to the FOIA, she shall have regard to the desirability of securing that the fees payable to the Commissioner are sufficient to offset the expenses incurred by the Commissioner, the Information Tribunal and any expenses of the Secretary of State in respect of the Commissioner of the Tribunal, and any prior deficits incurred, so far as attributable to the functions under the DPA.

These accounts do not include the expenses incurred by the Information Tribunal or the Secretary of State in respect of the Commissioner, and therefore cannot be used to demonstrate that the data protection fees offset expenditure on data protection functions, as set out in the DPA.

Expenditure is apportioned between the data protection and freedom of information work on the basis of costs recorded in the ICO's accounting system. This allocates expenditure to various cost centres across the organisation. A financial model is then applied to apportion expenditure between data protection and freedom of information on an actual basis, where possible, or by way of reasoned estimates where expenditure is shared. This model is monitored by the DCMS.

3. Staff numbers and related costs

Staff costs comprise:

	Permanently employed staff	Others	2016/17 Total	2015/16 Total
	£'000	£'000	£'000	£'000
Wages and salaries	12,368	238	12,606	11,492
Social security costs	1,173		1,173	766
Other pension costs	2,487		2,487	2,212
Sub-total	16,028	238	16,266	14,470
Less recoveries in respect of outward secondments	(91)	—	(91)	(154)
Total net costs	15,937	238	16,175	14,316

Included in staff costs above are notional costs of £190k (2015-16: £190k) in respect of salary and pension entitlements of the Information Commissioner and the associated employers national insurance contributions which are paid directly from the Consolidated Fund, temporary agency staff costs of £238k (2015-16: £345k) as well as the amounts relating to senior managers disclosed in the Remuneration Report.

Average number of persons employed

The average number of whole time equivalent persons employed during the year was:

	Permanently employed staff	Temporarily employed staff	2016/17 Total	2015/16 Total
Directly employed	422	4	426	384
Agency staff	0	8.6	8.6	9
Total employed	422	12.6	434.6	393

Pension arrangements

The PCSPS is an unfunded multi-employer defined benefit scheme. The ICO is unable to identify its share of the underlying assets and liabilities. The Scheme Actuary valued the scheme at 31 March 2012. Details may be found in the resource accounts of the Cabinet Office Civil Superannuation (www.civilservice.gov.uk/pensions).

For 2016-17 employers contributions of £2,392k (2015-16: £2,102K) were payable to the PCSPS at one of four rates in the range 20-24.5% of pensionable pay, based on salary bands. The Scheme's Actuary reviews employer contributions usually every four years following a full Scheme valuation. The contribution rates are set to meet the cost of benefits accruing during 2016-17 to be paid when the member retires and not the benefits paid during the period to existing pensioners.

Employees can opt to open a partnership account, a stakeholder pension with an employer contribution. Employers' contributions of £78k (2015-16: £65k), were paid to one or more of a panel of three appointed stakeholder pension providers. Employers' contributions are age related and range from 8% to 14.8% of pensionable pay. In addition, employers contributions of £2.5k (2015-16: £2k), 0.5% of pensionable pay, were payable to the PCSPS to cover the cost of future provision of lump sum benefits on death in service and ill health retirement of these employees.

Contributions due to partnership pension providers at the Statement of Financial Position date were £6.6k (2015-16 £6.6k). Contributions prepaid at the date were £nil (2015-16 £nil).

Pension costs include notional employers' contributions of £23k (2015-16: £34k) in respect of notional costs in respect of the Commissioner.

No individuals retired early on health grounds during the year.

4. Other expenditure

	2016/17		2015/16	
	£'000	£'000	£'000	£'000
Accommodation (business rates and services)	556		648	
Rentals under operating leases	680		778	
Office supplies and stationery	273		315	
Carriage and telecommunications	56		131	
Travel and subsistence	548		456	
Staff recruitment	166		69	
Specialist assistance and policy research	489		505	
Communications and external relations	556		673	
Legal costs	349		223	
Learning and development, health and safety	422		228	
IT Service delivery costs	2,404		2,338	
IT development costs	647		327	
Audit fees	30		33	
	7,176		6,724	
Non-cash items				
Depreciation	827		1,001	
Amortisation	822		821	
Loss on disposal of assets	96		340	—
	1,745		2,162	
Total expenditure	8,921		8,886	

5. Income

5a. Income from activities

	2016/17	2015/16
£'000	£'000	£'000
Fees	19,729	17,403
Sundry receipts	428	416
Total	20,157	17,819

5b. Consolidated Fund income

	2016/17	2015/16
£'000	£'000	£'000
Fees		
Collected under the DPA	19,729	18,311
Retained under direction as Income from Activities	(19,729)	(17,403)
	—	908
Civil Monetary Penalties		
Penalties issued	3,556	2,529
Early payment reductions	(381)	(142)
Repaid following a successful appeal	—	—
Cancelled after successful appeals	—	—
Re-issued after appeal	302	—
Impairments	(1,557)	(815)
	1,920	1,572
Sundry receipts		
Receipts under the Proceeds of Crime Act	—	—
Grant income (repaid)	—	—
Bank interest received	—	—
Recovered legal fees	27	7
Reimbursed travel expenses	22	22
Conference fees	49	57
Income receipts under the Data Retention and Investigatory Powers Act	330	330
	428	416
Sundry receipts retained under direction as Income from Activities	(428)	(416)
	—	—
Income payable to Consolidated Fund	1,920	2,480
Balances held at the start of the year	1,967	315
Income payable to the Consolidated Fund	1,920	2,480
Payments to the Consolidated Fund	(2,795)	(828)
Balances held at the end of the year (note 11)	1,092	1,967

As set out in note 1.5, income payable to the Consolidated Fund does not form part of the Statement of Comprehensive Net Expenditure. Amounts retained under direction from the DCMS with the consent of the Treasury are treated as Income from Activities within the Statement of Comprehensive Net Expenditure. The amounts receivable at 31 March 2017 were £595k (2015-16:£1,059k) and the amounts payable were £1,092k (2015-16:£1,967k).

6. Property, plant and equipment

	Information technology £'000	Plant and machinery £'000	Leasehold improvements £'000	Assets under construction £'000	2017 Total £'000	2016 Total £'000
Cost or valuation						
At 01 April 2016	7,673	177	2,364	297	10,511	11,096
Additions	174	24	17	453	668	788
Transfers	—	—	—	—	—	—
Disposals	(478)	(11)	—	—	(489)	(1,501)
Revaluations	409	3	—	—	412	128
At 31 March 2017	7,778	193	2,381	750	11,102	10,511
Depreciation						
At 01 April 2016	6,945	140	2,022	—	9,107	9,267
Charged in year	447	21	359	—	827	1,001
Disposals	(394)	(13)	—	—	(407)	(1,161)
Revaluations	(8)	1	—	—	(7)	—
At 31 March 2017	6,990	149	2,381	—	9,520	9,107
Net book value at 31 March 2017	788	44	—	750	1,582	1,404
Owned						
Net book value at 31 March 2017	788	44	—	750	1,582	1,404

Property, plant and equipment (excluding assets under construction) are re-valued annually using appropriate current cost price indices published by the Office for National Statistics.

Included above are fully depreciated assets, in use with a gross carrying amount of £21k (2015-16: £5,113K).

7. Intangible assets

	Software licences £'000	2017 Total £'000	2016 Total £'000
Cost or valuation			
At 1 April 2016	3,370	3,370	3,320
Additions	10	10	76
Disposals	-	-	(26)
Transfers	-	-	-
Reclassifications	-	-	-
At 31 March 2017	3,380	3,380	3,370
Amortisation			
At 1 April 2016	2,314	2,314	1,519
Charged in year	822	822	821
Disposals	-	-	(26)
At 31 March 2017	3,136	3,136	2,314
Net book value at 31 March 2017	244	244	1,056
Asset financing			
Owned	244	244	1,056
Net book value at 31 March 2017	244	244	1,056

8. Financial instruments

As the cash requirements of the Information Commissioner are met through fees collected under the DPA and grant in aid provided by the DCMS, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body.

The majority of financial instruments relate to contracts to buy non-financial items in line with the Information Commissioner's expected purchase and usage requirement and the Information Commissioner is therefore exposed to little credit, liquidity or market risk.

The Information Commissioner does not face significant medium to long-term financial risks.

9. Trade receivables and other current assets

	31 March 2017 £'000	31 March 2016 £'000
Amounts falling due within one year		
Trade debtors	80	102
Deposits and advances		5
Prepayments and accrued income	403	1,225
Sub-total	483	1,332
Consolidated Fund receipts due	2,152	1,874
less amounts impaired (note 5b)	(1,557)	(815)
	595	1,059
	1,078	2,391

Split

Other central government bodies	49	82
Local authorities		219
Bodies external to government	1,029	2,090
	1,078	2,391

10. Cash and cash equivalents

	31 March 2017 £'000	31 March 2016 £'000
Balance at 01 April	2,808	2,699
Net change in cash and cash equivalent balances	821	109
Balance at 31 March	3,629	2,808

Split:

Commercial banks and cash in hand	1,428	1,661
Government Banking Service	2,201	1,147
	3,629	2,808

11. Trade payables and other current liabilities

	31 March 2017 £'000	31 March 2016 £'000
Amounts falling due within one year		
Taxation and social security	305	249
Trade payables	497	227
Other payables	697	742
Accruals and deferred income	301	300
Sub-total	1,800	1,518
Amount payable to government (note 5b)	1,092	1,967
	2,892	3,485

Split:

Sponsor department – DCMS	1,092	1,967
Other central government bodies	305	262
Bodies external to government	1,495	1,256
	2,892	3,485

The amount payable to the sponsor department represents the amount which will be due to the Consolidated Fund when all of the income due is collected.

12. Provision for liabilities and charges

	Dilapidations		Early departure costs	
	2016 /17 £'000	2015/16 £'000	2016/17 £'000	2015/16 £'000
Balance at 01 April	605	510	63	62
Provided in year	—	95	—	10
Provision utilised in year	—	—	(9)	(9)
Balance at 31 March	605	605	54	63

Analysis of expected timing of discounted flow:

	Dilapidations		Early departure costs	
	2016/17 £'000	2015/16 £'000	2016/17 £'000	2015/16 £'000
Not later than one year	—	605	9	9
Later than one year and not later than five years	605	—	45	54
Later than five years	—	—	—	—
	605	605	54	63

Dilapidations provision

The lease on the ICO main premises at Wycliffe House, Wilmslow expired on 1 January 2017 and a new lease signed with a break clause in five years. A provision has been made based upon the assessment by GVA, commercial property advisers, dated January 2013 and updated to recent prices.

Early departure costs

The additional cost of benefits, beyond the normal PCSPS benefits in respect of employees who retire early, are provided for in full when the early departure decision is approved by establishing a provision for the estimated payments discounted by the Treasury discount rate of 0.24% (2015-16: 1.37%). The estimated payments are provided by MyCSP.

13. Capital commitments

There were no capital commitments in the year ending 31 March 2017 (2015-16 £nil).

14. Commitments under operating leases

The ICO leases properties in Wilmslow and Belfast under non-cancellable operating lease agreements. The lease in Wilmslow allows for a break clause on 01 January 2022 and Belfast on 04 February 2018. Both leases have no option to purchase and no specific renewal terms. Renewals are negotiated with the lessor in accordance with the provisions of the individual lease agreements.

	31 March 2017	31 March 2016
Total future minimum lease payments under operating leases are:	£'000	£'000
Buildings		
Not later than one year	384	571
Later than one year and not later than five years	2,311	22
Later than five years	—	—
	2,695	593

The minimum lease payments are determined from the relevant lease agreements and do not reflect possible increases as a result of market based reviews. The lease expenditure charged to the Statement of Comprehensive Net Expenditure during the year is disclosed in note 4.

15. Related party transactions

The Information Commissioner confirms that she had no personal business interests which conflict with her responsibilities as Information Commissioner.

During the financial year 2016-17 the DCMS was a related party to the Information Commissioner.

During the year no related party transactions were entered into, with the exception of providing the Information Commissioner with grant in aid and remitting receipts collected on behalf of the Consolidated Fund. Details of the Commissioner's remuneration and pension entitlement are disclosed in the remuneration report earlier in the document and note 3 to the Financial Statement.

None of the key managerial staff or other related parties has undertaken any material transaction with the Information Commissioner during the year.

16. Contingent Liabilities

There are no contingent liabilities at 31 March 2017 (2016: none).

17. Events after the reporting period

There were no events between the Statement of Financial Position date and the date the accounts were authorised for issue, which is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General.

ISBN 978-1-4741-4539-8



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